

Potential IPCEI on Hydrogen: *„Food for thought“*

DG COMP

State aid: COMP/H2: R&D&I, IPCEI and Environment

Third meeting of the Hydrogen Energy Network (HyENet)
26 May 2020, 10:00 – 13:15

Disclaimer: The views expressed are those of the author and cannot be regarded as stating an official position of the European Commission.



Outline

- 1. Important contribution to EU objectives**
- 2. Integration**
- 3. Spillovers**
- 4. Further practical issues**

NB: This presentation is not exhaustive, it focusses on certain important aspects.



1. Important Contribution to EU objectives

What is required in general:

- An important contribution (clear, concrete and identifiable) to Union objective(s) and
- A significant impact on competitiveness, innovation, sustainability, or value creation across the EU.
- MS together co-design; COM policy DGs facilitate

In addition, according to the type of project:

- Environmental, energy or transport projects of **great** importance for EU respective strategies or significantly contributing to the internal market.
- R&D projects of major innovative nature or important value added beyond state of the art (e.g. Key Enabling Technologies- KETs).
- FID projects for new product with high RDI content or deployment of fundamentally innovative production process or both.



1. Important Contribution to EU objectives (cont'd)

It is paramount for this eligibility criterion to be clearly demonstrated.

Also facilitating conditions are important (for example):

- EU hydrogen strategy coherent with that of MSs
- Political high level impetus (COM can coordinate)
- Policy DGs (e.g. ENER, CLIMA, MOVE, GROW, RTD,...) might be able to provide guidance on many aspects

Consider how ambitious you want to be:

Zero Carbon Emissions in line with Green Deal? If intermediate solutions necessary must not have a lock in effect and have a clear end date.

Food for thought:

- + A roadmap would be useful
- + Wide geographic coverage to demonstrate EU common interest
- + Sectoral integration with the electricity grid
- + Concrete contribution to the EU Green Deal agenda, Industrial strategy
- + Spillovers: e.g. interoperability, etc.



2. Integration

What is needed in general:

- All individual projects within an IPCEI must be **complementary** and **necessary** for the achievement of the important EU objective(s)

And

- All individual projects must be **inserted in a common structure, roadmap or programme** aimed at the same objective

Note:

Two similar projects of two different companies within one IPCEI have **both** to demonstrate their necessity and complementarity to the achievement of the important European objective

2. Integration (cont'd)

Consider how best to integrate the various industry projects you are planning:

It is not sufficient that individual projects somehow relate to hydrogen.

Food for thought:

- + Consider encompassing the **whole value chain**
- + Roadmap to demonstrate how individual projects contribute to the common European objectives
- + ...

3. Spillovers/Benefits

What is needed in general:

- Spillovers/benefits must go beyond the involved Member States, sectors and undertakings
- Must be clear and identifiable
- Must go beyond business-as-usual, if there are competition concerns additional spillovers to pass the balancing test

3. Spillovers (cont'd)

Spillovers beyond participating undertakings and Member States are not visible yet from the preliminary project information.

→ more work needed.

Food for thought:

- + Spillovers are technology-, sector- and type of project- specific
- + Spillovers from previous IPCEIs may be too value chain specific
- + You know your industry - Please come up with your best list of suggestions to discuss – policy DGs may advice
- + Cost-benefit studies could underpin a benefit over and beyond sectors/regions
- + ...

4. Finally, some further practical issues

- **The projects seen so far** individually may not qualify as IPCEI, still not **integrated** in such a way as to approve them as an integrated IPCEI
- A second / third / etc. IPCEI in the same area should demonstrate, besides all eligibility conditions, also **its added value to the previous IPCEI(s)**
- A **Member State** is required in practice to undertake the **coordination** of MS efforts => **administrative capacity necessary**
- A good practice: to organize **national open, non-discriminatory calls** for expression of interest, Member States to scrutinize these projects
- On timing for Pre or Notification: there is **NO legal deadline for an IPCEI on hydrogen technologies. COMP will assess as priority**
- **Is is entirely up to the readiness of the participating Member States to proceed** – consider state budget allocations – co-funding from EU funds, EIB - recovery plans following coronavirus downturn

Thank you for your attention!